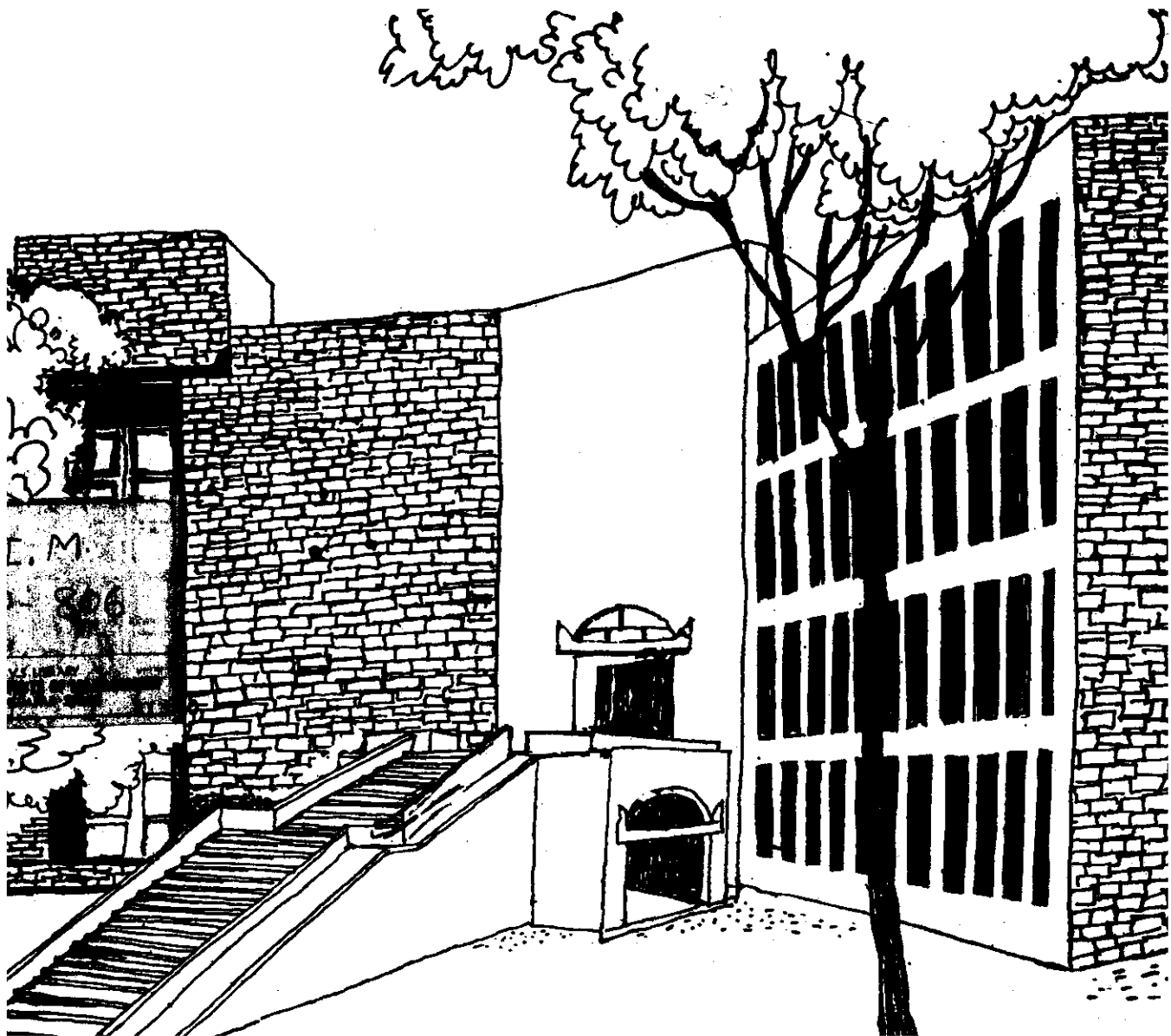




Working Paper



PREFERRED ORGANIZATIONS: PERCEPTIONS OF
PROSPECTIVE MANAGERS

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Preferred organizations: Perceptions of prospective managers

Formal management education in India has come a long way since its inception in the early sixties. Starting with the setting up of the Indian Institute of Management in Calcutta in 1961, today there are more than sixty institutions/universities offering post graduate programmes in management and business administration. This spread of management education has also raised a number of issues concerning the relevance, necessity, performance, utility, etc. of trained professional managers. The experience of organizations employing management graduates has, by and large, been mixed. There are a number of organizations where management graduates have risen to occupy important and senior positions and therefore, it can be assumed that these organizations have found management graduates to be useful. On the other hand, there are organizations -- and their number is not small by any means -- whose experience with management graduates has not been very happy. In addition to problems such as being too theoretical, over-confident, much too technique-oriented, not being able to get along with others; one problem which is mentioned very often is that of lack of loyalty to the organization and what has sometimes been called "job-hopping". Various explanations for this phenomenon have been offered, the most popular one out of which is that management graduates are much too selfish and ambitious and, therefore, do not or can not remain with one organization for any appreciable

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length of time. Most of these explanations have been derived from the perspective of organizations employing management graduates. The perspective of management graduates appears to have been overlooked. The management graduate is the decision maker and the central actor in any job-change and, therefore, his/her perspective is of critical importance. An attempt was, therefore, made to explore the perspective of management graduates.

The decision made by the management graduate to change a job is actually based on a combination of factors. One way of conceptualising this combination is the standard one of an interaction between the individual and the organization. The individual, in this case, obviously is the management graduate who decides to leave one job and take up another. The organizational element of the interaction is a mixed one consisting of two components, an organization which the management graduate gives up and another which he/she joins. It was decided to investigate the management graduates' perspective using this two-component view of organizations. Since the phenomenon of "job-hopping" has been considered to be more pronounced during the early stages of the career of management graduates, it was decided to get the perspective of people who were on the threshold of becoming professional managers. Accordingly a sample of students who had decided to pursue management education at the post-graduate level with a view to becoming professional managers was chosen for this study. These students, when they were half-way through a two-year programme of management education, were asked to think of an organization in

which they would like to work and then to write down the characteristics of that organization. After they had written this down, they were asked to think of an organization in which they would NOT like to work and to write down the characteristics of that organization. The contents of these responses were analyzed³ to discover organizational factors which may help in explaining why do management graduates leave certain organizations and join some others.

Important characteristics

Thirty-five characteristics perceived to be important by this sample of prospective managers were identified. These characteristics along with their ranks and percent scores are shown in Table 1.

Table 1 about here

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The most frequently mentioned characteristic referred to the formality or informality of the organization. While 102 respondents said that they would like to work in an organization which is informal, 101 said that they would not like to work in an organization which is formal (75 respondents out of these said both). In contrast, there were only five respondents who said that they would like to work in an organization which is formal and only three who said they they would not like to work in an organization which is informal. The next characteristic in terms of frequency was openness of communications. There were 108

respondents who said that they would like to work in an organization where communications are open and 97 who said that they would not like to work in an organization where communications are not open (65 out of these said both). Accessibility of superiors was the third most frequently mentioned characteristic. Ninety one respondents wanted to work in organizations where the superiors were accessible and 109 did not want to work in organizations where the superiors were not accessible (67 out of these said both). The next two characteristics were freedom to exercise authority though limited, and opportunities for personal growth and recognition. The corresponding figures were 103, 82, 57; and 110, 73, 57. These first five characteristics were the only ones which attained scores of more than 50 percent.

Two least important characteristics were geographical location and discrimination on the basis of sex. Only two respondents mentioned that they would like to work in organizations located in cities, one preferred working in undeveloped locations, and one did not want to work in non-city locations. Five respondents said that they did not want to work in organizations which discriminated among employees on the basis of their sex and two said that they would like to work in organizations which treated employees of both sexes equally (one respondent said both).

Tangible-Intangible Characteristics

A number of characteristics listed in Table 1 are quite concrete and clear such as size of the organization, geographical

location, salary and perks, etc. Some other characteristics such as ethical/social orientation, politics, sycophancy, etc. are less specific and clear. Following the above examples, each of the 35 characteristics was classified as tangible (former) or intangible (latter). Those classified as tangible are marked with an asterisk (*) in Table 1.

It seems that, at least, this sample of prospective managers considers the intangible characteristics to be clearly more important than the tangible ones. Only 16 of the 35 characteristics were tangible whereas the remaining 19 were intangible. The first five and all with scores of more than 50 percent, were intangible. Seven out of the top ten, and twelve out of the top twenty were intangible.

The top two tangible characteristics were incentives and rewards, and promotion policies. These were 83 respondents who said that they would like to work in an organization which has satisfactory incentives and rewards (based on performance) and 62 who said they they would not like to work in an organization which does not have satisfactory rewards and incentives. There was a clear preference for merit-based promotions over seniority-based promotions. Whereas 78 respondents preferred organizations where merit was the basis for promotions, 67 said they would not like to work in organizations where seniority is the basis for promotions. The high rankings of these two characteristics seem to show that these prospective managers are quite confident of their ability to perform well and are not afraid to link their returns, in terms of incentives and rewards, and promotions,

with their performance. This view is supported by the fact that "salary and perks" was eighth in the overall ranking and was third even amongst the tangible characteristics--after incentives and rewards, and promotion policies. These rankings also indicate some achievement orientation among these prospective managers in as much as they would like to be rewarded but on the basis of their performance.

Ambivalent Responses

In general, the preferences of prospective managers were unequivocal for most of the characteristics. For example, they would like to work in organizations which have an ethical/social orientation and/or would not like to work in organizations which do not have this orientation. However, there were nine characteristics for which the preferences were not so clear. These nine characteristics ranked in terms of their ambivalence are listed in Table 2.

Table 2 about here

Ambivalence is considered as an indication of the extent to which preference for a particular variation of a characteristic is not clear or is ambiguous. Internal competition had the highest ambivalence in this set of respondents. While 35 responses indicated a preference for competition, 17 responses also indicated a preference for working in organizations which did not have internal competition. The least ambivalence was for

industrial/labour relations. Thirty-five responses favoured peaceful labour relations but one response indicated a preference for working in an organization which did not have harmonious labour relations. Whether this particular respondent was looking for challenge in dealing with or surviving in an environment of troubled industrial relations can only be speculated about.

It is significant that preferences of prospective managers concerning nine out of the ten most important characteristics (given in Table 1) are quite clear. There was some--though very little--ambivalence about the most important characteristic, informality. An overwhelming number of responses (203 out of 211) favoured informal organizations. The next important characteristic (from Table 1) with ambivalent responses was flexibility/rigidity of rules and for this, ambivalence was quite high. Compared to 95 responses which indicated preference for flexible rules, there were 28 responses indicating a preference for working in organizations which have rigid rules. Two other important characteristics with equivocal responses were size of the organization and flexible/rigid working hours. Sixty-five responses seemed to favour working in small and medium sized organizations against only 10 which favoured working in large organizations. Similarly, while 55 responses preferred flexible working hours, there were 10 which preferred rigid working hours.

The unequivocal preferences on as many as 26 out of 35 characteristics obviously reflects the homogeneity of the sample which could be due to a number of factors. The ambivalence of responses, however, does indicate that preferences of prospective

managers do vary in terms of what kind of organizations they would like to work in or not like to work in. Some attention to such issues at the time of selection may increase the chances of longer term and more satisfying associations on the part of both, the employing organization and the prospective manager.

Subgroup Preferences

Top ten characteristics ranked in terms of importance separately by (a) men and women, and (b) respondents with no work experience, those with work experience of one year or less, and those with work experience of more than one year, are shown in Table 3. There seems to be substantial agreement in the

Table 3 about here

preferences of these subgroups. The first five characteristics are common for all the five subgroups except that the women did not consider opportunities for personal growth and recognition to be as important as did the other four groups. Promotion policies seemed relatively more important to this sample of prospective women managers. Another difference was that women seemed to consider meaningful job content to be more important in comparison to the other four groups. The importance of salary and perks was higher for the respondents with work experience of more than one year in comparison to other subgroups. Except for these differences, the general patterns of preferences were quite similar across the five sub groups.

Summary and Conclusions

Achieving some kind of a match between what young managers want and what organizations can offer is just one of the many ways of solving the problem, of unduly high mobility or "job hopping" by management graduates. Thirty-five organizational characteristics identified in this study indicate what, in the perception of prospective managers, may be important considerations when they decide which organizations to work in. Whether organizations do, should, or can possess these characteristics, are issues at different levels which cannot be addressed here. Preferences of prospective managers for 26 out of 35 characteristics are quite clear and unambiguous. Even for the remaining nine, ambiguities are not too high. Therefore, these characteristics can give organizations some broad directions for change in case they would like to reduce the turnover of professional managers. The fact that intangible characteristics are, on the whole, considered to be more important than tangible ones can be attributed to the basic value orientation of this group of prospective managers. Another possible reason for this could be that intangible characteristics are more amenable to subjective evaluations as compared to tangible ones. Therefore, one can justifiably rely more on one's own judgment for such characteristics.

In conclusion, it is hoped that these findings will lead to a better understanding of the perspective of prospective managers by employing organizations. This understanding should result in

better utilization of the upcoming managerial talent, better management of organizations, and a consequential increase in organizational effectiveness.

NOTES

¹ Some of the studies on related issues are A.P. Paul (1970). The MBA in Indian industry: Some observations. Indian Management, July, Vol.9, No.7, pp.3-13; B. R. Sharma (1971). Occupational values and business: A cross-cultural comparison. New Delhi: Indian Academy of Social Sciences; C.D. Wadhwa and P.K. Garg (Eds.) (1976). Placement of management graduates: Expectations and experiences. Ahmedabad: Indian Institute of Management; IIM Alumni Survey (Special Report 2). Business India, 1982 (July 19-August 1), pp.76-85; V.L. Mote (1985). Development of management education in India: Role of the Institutes of Management. Vikalpa, October-December, Vol.10, No.4, pp.371-385; S. Vyakarnam (1987). The social relevance of post graduate management education: A case study of India. Unpublished Ph.D. Dissertation, School of Management, Cranfield Institute of Technology (U.K.); T.V. Rao and P.K.S. Solanki (1988). An exploratory study of key performance areas and competency requirements of young management graduates. Working Paper No.741. Ahmedabad: Indian Institute of Management; Indian industry and the professional manager: The expectation gap (Special Report). Alumnus, 1989 (January), pp.11-18.

² The sample consisted of 178 students with an average age of about 22 years. Seventy percent were in the 21-25 years age group and 24 percent were below 20 years. Almost 90 percent of the respondents were male. About 27 percent had work

experience of more than one year and about 20 percent less than one year. The rest did not have any work experience.

3

As the task was open-ended, there was a lot of variation in the responses. While some of the respondents mentioned a large number of characteristics for both "like" and "not like" categories, there were some who mentioned very few characteristics under both the categories. Some respondents had a lot to say about the organization that they would like to work in but very little about the one that they would not like to work in. Others were more comfortable writing about what they would not like rather than what they would like. There was another group of respondents whose "like" and "not like" were almost the reverse of each other. The data were analyzed keeping these variations in view and also with a view to minimize and neutralize the effect of these variations.

To discover what organizational characteristics were perceived to be important by these prospective managers, the total number of times a characteristic was mentioned -- positively as well as negatively -- was computed. This was converted to a percentage on the base of $178 \times 2 = 356$ which was the maximum number of times a characteristic could theoretically be mentioned, assuming that each of the 178 respondents said that he/she "would like to work in an organization which has this particular characteristic" and also that she/he "would not like to work in an organization which does not have this particular characteristic".

Table 1

Organizational characteristics considered important by
prospective managers

<u>Rank</u>	<u>Characteristic</u>	<u>Percentage of Responses</u>
1.	Informality/Formality	59.2
2.	Openness of communications	57.6
3.	Accessibility of superiors	56.2
4.	Freedom to exercise (limited) authority	51.9
5.	Opportunities for personal growth and recognition	51.4
6.	*Incentives and rewards	41.0
7.	*Promotion policies	40.7
8.	Opportunities for decision making	37.9
9.	*Salary and perks	36.8
10.	Human resource orientation	36.2
11.	*Flexibility/Rigidity of rules	35.0
12.	Creative/Challenging environment	33.4
13.	*Meaningful job content	32.0
14.	Team spirit	31.2
15.	*Clarity of job and organizational goals	26.7
16.	Growth orientation	23.9
17.	*Size of organization	21.0
18.	Ethical/Social orientation	19.9
19.	Feedback to subordinates	18.5
20.	*Flexible/Rigid working hours	18.0
21.	Politics (in the organization)	16.3

Table 1 (continued)

22.	Internal competition	14.6
23.	Sycophancy	13.5
24.	*Variety/Rotation in job	13.0
25.	*Professional management	12.0
26.	Reputation of the organization	11.0
27.	Customer/Client orientation	10.7
28.	Technological orientation	10.4
29.	*Industrial/Labour relations	10.1
30.	*Physical surroundings at work place	6.5
31.	*Educational background of coworkers	5.3
32.	*Age group of coworkers	4.8
33.	*Job security	4.6
34.	Discrimination (on the basis of sex)	1.7
35.	*Geographical location	1.1

*
Tangible characteristics

Table 2

Characteristics with ambivalent responses

<u>Rank</u>	<u>Characteristics</u>	<u>Ambivalence (Percent)</u>
1.	Internal competition	32.7
2.	Geographical location	25.0
3.	Flexibility of rules	22.8
4.	Variety/Rotation in job	17.4
5.	Flexibile working hours	15.4
6.	Size of organization	13.3
7.	Reputation of organization	7.7
8.	Informality	3.8
9.	Industrial/Labour relations	2.8

Table 3

Rankings of importance by sex and work experience

Characteristic	Work experience				
	Men (N=159)	Women (N=19)	Nil (N=95)	<1 year (N=36)	>1 year (N=47)
Informality/Formality	1	1	1	1	2
Openness of communications	2	3	3	2	3
Accessibility of superiors	4	2	2	4	4
Freedom to exercise authority	5	4	5	5	1
Opportunities for personal growth and recognition	3	8	4	2	5
Incentives and rewards	6	7	6	8	
Promotion policies	7	5	7	6	8
Opportunities for decision making	7			7	7
Salary and perks	9	9			6
Human resource orientation	10	9	9		9
Flexibility/rigidity of rules	10		8		
Creative/challenging environment					10
Meaningful job content		6	10	9	
Team Spirit		9		10	

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